



PUBLIC NOTICE

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**Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554**

**DA 02-517
March 4, 2002**

**PEPCO COMMUNICATIONS, INC. SEEKS COMMISSION
DETERMINATION OF "EXEMPT TELECOMMUNICATIONS
COMPANY" STATUS UNDER THE PUBLIC UTILITY HOLDING
COMPANY ACT**

**NSD File No: ETC 02-02
Pleading Cycle Established**

Comments Due: March 18, 2002

Reply Comments Due: March 25, 2002

On **January 31, 2002**, **Pepco Communications, Inc.** (Pepco or Applicant), located at **1801 K Street, N.W. Suite 900, Washington, DC 20006-1301**, filed an application requesting a determination by the Federal Communications Commission (FCC or Commission) that it is an "exempt telecommunications company" (ETC), pursuant to section 34(a)(1) of the Public Utility Holding Company Act of 1935 (PUHCA),¹ as amended by section 103 of the Telecommunications Act of 1996 (the Act).²

The application indicates that Pepco is a Delaware corporation, and is a wholly-owned subsidiary of Potomac Capital Investment Corporation (PCI). Applicant explains that PCI is a wholly-owned subsidiary of POM Holdings, Inc. (POM),³ which is itself a wholly owned

¹See 15 U.S.C. §§ 79 *et seq.*

²See Pub. L. No. 104-104.

³ According to Applicant, on January 22, 2002, the corporate name Pepco Holdings, Inc. was changed to POM Holdings, Inc.

subsidiary of Potomac Electric Power Company (Potomac Electric). The application indicates that Potomac Electric is both a District of Columbia and a Virginia corporation, headquartered in Washington, D.C., and that it is an investor-owned company, delivering electricity to more than seven hundred thousand (700,000) customers in Washington, D.C. and the Maryland suburbs. Through subsidiaries, Pepco Electric also operates in the telecommunications and energy services sectors in the mid-Atlantic region. Pepco Electric is not currently subject to PUHCA.

Applicant also explains that one of its own wholly-owned subsidiaries, Pepco Communications, LLC (Pepco LLC) holds a fifty percent (50%) interest in Starpower

Communications, LLC (Starpower). According to the application, the other joint venture partner and fifty percent (50%) owner of Starpower is RCN Telecom Services of Washington, D.C., Inc. (RCN), an indirect subsidiary of RCN Corporation, a publicly traded, full-service telecommunications company, incorporated in Delaware. Pepco states that Starpower offers local and long distance telephone, cable and high-speed Internet service to residential and commercial customers in Washington, D.C., Northern Virginia and portions of Maryland, and that it is building an advanced fiber optic network to deliver these services.

According to the application, on February 9, 2001, Pepco Electric agreed to merge with another company, Conectiv. Applicant states that Conectiv is a Delaware corporation headquartered in Wilmington, DE, and is a registered public utility holding company under PUHCA. Pepco explains that Conectiv provides energy services to more than one million (1,000,000) customers in New Jersey, Delaware, Maryland, and Virginia, and that it indirectly owns one-hundred percent (100%) of Conectiv Communications, Inc. Applicant states that Conectiv Communications, Inc. was originally granted ETC status on September 9, 1997, and that on October 20, 1999 it supplemented its ETC status.

Although Pepco Electric and Conectiv are in the process of obtaining the necessary regulatory approvals to merge, the application anticipates that the merger will close during the first quarter of 2002. Upon consummation of the merger, Applicant states that Pepco Electric and Conectiv will become wholly-owned subsidiaries of a new company named Pepco Holding, Inc., and that Pepco Holding, Inc. will register with the Securities and Exchanges Commission (SEC) as a public utility holding company under PUHCA.

Following the merger, Pepco states that it will become either a direct or indirect, wholly-owned subsidiary of Pepco Holdings, Inc. Applicant states that it will continue to own one hundred percent (100%) of Pepco LLC which will, in turn, continue to own fifty percent (50%) of Starpower. Pepco explains that because Pepco Holdings, Inc. will become a registered public utility holding company, it is filing for ETC status to allow it to continue to retain its interest in Pepco LLC. Applicant states that it is engaged solely (and currently indirectly through Pepco LLC and Starpower) in activities of the type listed in Section 34(a)(i) of PUHCA.

In accordance with section 1.5004 of the Commission's rules, if the Commission does not issue an order denying an ETC application within sixty (60) days of receipt of an application, in this case **April, 1 2002**, the application will be deemed granted as a matter of law.⁴ In accordance with section 1.5003, a person applying in good faith for a Commission determination of ETC status is deemed to be an ETC from the date of receipt of the application, in this case **January 31, 2002**, until the date of Commission action pursuant to section 1.5004.⁵ In accordance with section 1.5005, the Secretary of the Commission is now notifying the SEC that the Applicant is deemed to be an Exempt Telecommunications Company.⁶ In the event that the

⁴See 47 C.F.R § 1.5004.

⁵See 47 C.F.R § 1.5003.

⁶See 47 C.F.R. § 1.5005.

Commission issues an order denying the application within sixty (60) days of its receipt, the Secretary will so notify the SEC. Otherwise, the Commission will take no further action to grant this application.

This proceeding is considered a "permit but disclose" proceeding for purposes of the Commission's *ex parte* rules.⁷ Persons wishing to file comments regarding the adequacy or accuracy of **Pepeco Communications, Inc.**'s application requesting status as an ETC must do so no later than **March 18, 2002**. Reply comments must be filed no later than **March 25, 2002**. All filings concerning any of the matters referenced in this Public Notice should refer to NSD file number **ETC 02-02**. All comments should also be served on the Applicant.

Interested parties should file an original and four (4) copies of their comments with the Office of the Secretary, Federal Communications Commission, 445 12th St., SW, Room TW-A325, Washington, D.C. 20554. In addition, parties should send one (1) copy to Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com, and two (2) copies to Carmell Weathers, Common Carrier Bureau, Network Services Division, FCC, 445 12th Street, SW, Room 6-A207, Washington, D.C. 20554. Commenters are also requested to fax their comments to the FCC at (202) 418-2345, Attention: Jon Minkoff.

Interested parties who wish to file comments via messenger-delivery or hand-delivery are also notified that effective December 18, 2001, the Commission will only receive such deliveries weekdays from 8:00 a.m. to 7:00 p.m., via its contractor, Vistrionix, Inc., located at 236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002. **The Commission no longer accepts these filings at 9300 East Hampton Drive, Capitol Heights, MD 20743.** Please note that all hand deliveries must be held together with rubber bands or fasteners, and envelopes must be disposed of before entering the building. In addition, this is a reminder that as of October 18, 2001, the Commission no longer accepts hand-delivered or messenger-delivered filings at its headquarters at 445 12th Street, SW, Washington, DC 20554. Other messenger-delivered documents, including documents sent by overnight mail (other than United States Postal Service (USPS) Express and Priority Mail), must be addressed to 9300 East Hampton Drive, Capitol Heights, MD 20743. This location is open weekdays from 8:00 a.m. to 5:30 p.m. USPS First-Class, Express, and Priority Mail should be addressed to the Commission's headquarters at 445 12th Street, SW, Washington, DC 20554. The following chart summarizes this information:

TYPE OF DELIVERY	PROPER DELIVERY ADDRESS
Hand-delivered or messenger-delivered paper filings	236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002 (Weekdays - 8:00 a.m. to 7:00 p.m.)
Other messenger-delivered documents, including documents sent by overnight mail (this type excludes USPS Express and Priority Mail)	9300 East Hampton Drive, Capitol Heights, MD 20743 (Weekdays - 8:00 a.m. to 5:30 p.m.)

⁷See generally 47 C.F.R. §§ 1.1200 - 1.1216.

USPS First-Class, Express, and Priority Mail	445 12 th Street, SW Washington, DC 20554
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The application will be available for review and copying during regular business hours at the FCC Reference Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC 20554, (202) 418-0270. A copy of the application may also be purchased from the Commission's copy contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail at **qualexint@aol.com**.

For further information, contact Carmell Weathers, (202) 418-2325 (voice), **cweather@fcc.gov** or Jon Minkoff, (202) 418-2353 (voice), **jminkoff@fcc.gov**, of the Network Services Division, Common Carrier Bureau. The TTY number is (202) 418-0484. You may also find more information about Exempt Telecommunications Companies at the Network Services Division website: **<http://www.fcc.gov/ccb/nsd/documents/ETC.html>**.

-FEDERAL COMMUNICATIONS COMMISSION-